Approved for Release: 2018/09/17 C03016873

National Foreign Assessment Center

~~Secret~~

3.5(c)

EO 13526
3.3(b)(1)>25Yrs
EO 13526
3.5(c)
NR

Latin America Weekly Review

10 November 1977

3.5(c)

~~Secret~~

RP ALA 77-065
10 November 1977

Copy

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

3.5(c)
NR

Page Denied

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

~~SECRET~~

[redacted]

3.5(c)

LATIN AMERICA WEEKLY REVIEW

10 November 1977

CONTENTS

NR [redacted]

Argentina: Labor Problems. 5

NR [redacted]

This publication is prepared for regional specialists in the Washington community by the Latin America Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the National Foreign Assessment Center and from other agencies within the Intelligence Community. Comments and queries are welcome. They should be directed to the authors of the individual articles.

~~SECRET~~

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Page Denied

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

would aggravate the delicate labor situation as well as harm Argentina's international reputation.

Videla may have to contend with an increase in illegal countersubversive activity if hard-line elements within the security forces try to take matters into their own hands. Although the current administration has evinced a desire to stop human rights violations, measures to halt excesses are not being strictly enforced. Complicating the issue is the recent increase in terrorist activity in Buenos Aires. The Montoneros terrorist organization, one of whose goals is infiltration of the labor unions, has tried in the past to identify with workers by undertaking acts of violence and sabotage. Although the terrorists are trying to take credit for any improvement offered by the government, we have no evidence that they are behind the current labor problems.

Minister of Economy Martinez de Hoz said last week that the government would make no further concessions beyond the 40-percent wage flexibility policy. Dismissal notices have already been issued to workers who continued to strike after being offered official salary increases. If necessary, the government may apply the security law and go so far as to mobilize troops to take over for striking workers. The military has assumed a tough posture on the labor issue. For example, the Army publicized a report of the killing of a strike provocateur by a military patrol, probably as an additional warning to striking workers.

Videla's military rivals, particularly junta member and Navy chief Admiral Massera, may try to use the government's current problems to undercut the President's position. In addition, some hard-line military officers are grumbling that Videla should have anticipated the current labor problems and taken preventive measures.

3.5(c)

3.5(c) 3.3(b)(1)

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

3.3 3.5(c)

Argentina: Labor Problems

The Argentine Government appears to have suppressed, at least temporarily, last week's widespread labor discontent--the most serious labor crisis since the ouster of former President Peron by the military in March 1976. Striking workers returned to their jobs over the weekend in response to the government's promise of wage talks and its threat to enforce harsh antistrike laws. Although the present crisis has subsided, further unrest would test the military government's authority and its determination to pursue economic austerity measures.

The apparently spontaneous strikes, which spread rapidly to transport, port, maritime, and power workers in Buenos Aires and nearby areas last week, stemmed from a continuing decline in real wages. In an attempt to control the situation, the government extended to state enterprises the 40-percent wage flexibility policy it granted to private firms last month. Until now, public sector workers had not shared in unsanctioned pay increases given by private employers to fend off worker dissatisfaction.

A number of state companies have already announced wage increases of up to 43 percent under the new guidelines; other companies have initiated wage discussions. State enterprise workers reportedly are dissatisfied with the new pay hikes. Some were demanding increases of up to 100 percent, but appear to have succumbed to threats of dismissal and the argument that wage increases can only be effective after employees return to work.

The workers' demands have placed the government in a precarious position. Wage increases in any sector of the economy will create pressures from other sectors, thus jeopardizing the administration's salary policy--a key element in the government's effort to reduce inflation. If the government gives in to union demands, its economic plans would be undermined. Although the government believes it must have strong emergency labor legislation on the books, it recognizes that an assertion of authority

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Page Denied

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Page Denied

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Page Denied

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Page Denied

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Page Denied

Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR

Page Denied

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Approved for Release: 2018/09/17 C03016873

NR
Approved for Release: 2018/09/17 C03016873

Page Denied

Approved for Release: 2018/09/17 C03016873